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<p style="text-align: right;">Page 146</p> <p>1 Q. -- to do this work?</p> <p>2 A. Yes.</p> <p>3 Q. Okay.</p> <p>4 A. But if we were doing anything beyond the</p> <p>5 scope, like a review or an audit, we would need an</p> <p>6 engagement letter for that.</p> <p>7 Q. Okay. Was that -- as far as needing an</p> <p>8 engagement letter, was that something that you were</p> <p>9 told by, you know, Randy or Hughie, or someone else,</p> <p>10 that this was required?</p> <p>11 A. Originally I was told it, and then I read it</p> <p>12 somewhere that you had to -- these are the things that</p> <p>13 you need too. Because that's one of our checklist</p> <p>14 things. Do you have an engagement letter? I would</p> <p>15 have to physically sign off and say, yes, I have an</p> <p>16 engagement letter.</p> <p>17 Q. Oh, okay.</p> <p>18 MS. FITZGERALD: Is this for review?</p> <p>19 THE WITNESS: This is for review. Yes.</p> <p>20 Review and audit.</p> <p>21 BY MR. MULE:</p> <p>22 Q. So were you provided a checklist of what was</p> <p>23 necessary for particular engagements?</p> <p>24 A. So the check -- so nothing -- not that I can</p> <p>25 think of for tax. But review and audit, we subscribed</p>	<p style="text-align: right;">Page 147</p> <p>1 to something that told us what needed to be in the</p> <p>2 engagements.</p> <p>3 Q. What do you mean you subscribed to something?</p> <p>4 A. It was some accounting. I know it's called</p> <p>5 Smart. Something like that. I don't know. I haven't</p> <p>6 used it in a while. But it basically -- you had to</p> <p>7 check, physically sign off, saying that I did this</p> <p>8 step. I did this step.</p> <p>9 Q. Do you know if this -- Smart, was it a</p> <p>10 software?</p> <p>11 A. It was a software program.</p> <p>12 Q. This software, do you know if it existed from</p> <p>13 the time that you started at Voynow? Or sometime</p> <p>14 after?</p> <p>15 A. I think it was there before me.</p> <p>16 Q. And was it there for the entire time of your</p> <p>17 tenure at Voynow?</p> <p>18 A. Yes.</p> <p>19 Q. As far as clients of Voynow, then, you didn't</p> <p>20 -- weren't personally responsible for the engagement,</p> <p>21 such as Star. You don't know what conversations Randy,</p> <p>22 for instance, or whoever the managing partner in</p> <p>23 charge, you don't know the conversations that they had</p> <p>24 with the clients, right?</p> <p>25 A. No.</p>
<p style="text-align: right;">Page 148</p> <p>1 Q. Were there continuing professional education</p> <p>2 courses that you were required to take while working at</p> <p>3 Voynow?</p> <p>4 A. I was not required to, but they did let me go</p> <p>5 to CPEs so I could be better in what I was doing.</p> <p>6 Q. Okay. How often would you go to CPEs?</p> <p>7 A. I would not go as often as the people that</p> <p>8 had CPAs. But I would go whenever they would allow me</p> <p>9 to. So it was at least twice a year.</p> <p>10 Q. And what -- do you recall any particular</p> <p>11 courses that you -- that you took?</p> <p>12 A. When the new tax law came out I know we did</p> <p>13 something with that. And then I would go for</p> <p>14 refreshers for 401Ks.</p> <p>15 Q. Did you do any CPEs related particularly to</p> <p>16 the auto industry?</p> <p>17 A. I don't even know if they have those.</p> <p>18 Q. Okay.</p> <p>19 A. So no.</p> <p>20 Q. Any as to fraud detection?</p> <p>21 A. Probably was included with the 401K.</p> <p>22 Q. Okay. Did you have any guidance, on the job,</p> <p>23 as to how to detect irregularities in the -- when doing</p> <p>24 reviews, or reviewing records at these dealerships?</p> <p>25 MS. FITZGERALD: Objection to form.</p>	<p style="text-align: right;">Page 149</p> <p>1 THE WITNESS: It would be if an answer</p> <p>2 that someone gave me didn't make sense, I</p> <p>3 would go to the person in charge and ask</p> <p>4 them. And if it didn't make sense to them,</p> <p>5 then something was probably off. But I don't</p> <p>6 think that ever happened.</p> <p>7 BY MR. MULE:</p> <p>8 Q. Okay. Did you receive any written</p> <p>9 guidelines, or policies, as far as checklists of what</p> <p>10 you should look at as an accountant going to auto</p> <p>11 dealerships?</p> <p>12 A. Going to the dealerships.</p> <p>13 Q. Yeah.</p> <p>14 A. I don't believe so.</p> <p>15 Q. Okay. So we saw earlier, it was a checklist,</p> <p>16 and it was recommendations with respect to internal</p> <p>17 controls for dealerships that Voynow recommended</p> <p>18 controllers should take.</p> <p>19 A. Yep.</p> <p>20 Q. So I want to know, did you receive anything</p> <p>21 -- anything similar in your whole tenure at Voynow, as</p> <p>22 to what you should look at as an accountant?</p> <p>23 MS. FITZGERALD: Objection.</p> <p>24 THE WITNESS: I don't remember, so.</p> <p>25 BY MR. MULE:</p>

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<p style="text-align: right;">Page 258</p> <p>1 31st, 2016 schedules.</p> <p>2 Q. So going back to Exhibit-40, we cannot look</p> <p>3 at your time records, because they're not there for</p> <p>4 that time period, correct?</p> <p>5 A. Correct.</p> <p>6 MS. FITZGERALD: In this exhibit.</p> <p>7 BY MR. MULE:</p> <p>8 Q. In that exhibit, right.</p> <p>9 A. Okay.</p> <p>10 Q. Do you know who was working at Subaru in the</p> <p>11 summer of 2016?</p> <p>12 A. I do not.</p> <p>13 Q. Do you know who was working at Subaru year</p> <p>14 end 2016?</p> <p>15 A. I do not.</p> <p>16 Q. Okay. I have no further questions at this</p> <p>17 time. Thank you.</p> <p>18 * * *</p> <p>19 EXAMINATION</p> <p>20 * * *</p> <p>21 BY MS. FITZGERALD:</p> <p>22 Q. I just have a few.</p> <p>23 A. Okay.</p> <p>24 Q. Promise. First off, you said that you wanted</p> <p>25 to review your transcript.</p>	<p style="text-align: right;">Page 259</p> <p>1 A. Yes.</p> <p>2 Q. Okay. So it's the court reporter who will be</p> <p>3 sending that to you. Which e-mail would you like her</p> <p>4 to send that to?</p> <p>5 A. My personal, please.</p> <p>6 Q. I think that's in the transcript. The g-mail</p> <p>7 account, right?</p> <p>8 A. Yes.</p> <p>9 Q. You were asked, at several points today,</p> <p>10 about a review engagement?</p> <p>11 A. Um-hum.</p> <p>12 Q. And you testified that that was something,</p> <p>13 while you were employed at Voynow, that you worked on</p> <p>14 for Thompson.</p> <p>15 A. Yes.</p> <p>16 Q. And for Paruzzi?</p> <p>17 A. Um-hum.</p> <p>18 Q. Okay. And as part of a review engagement,</p> <p>19 when that term was being used, did you understand that</p> <p>20 to mean an engagement where reviewed financial</p> <p>21 statements were issued by Voynow?</p> <p>22 A. Yes.</p> <p>23 Q. Okay. Is it fair to say that the product, or</p> <p>24 the end product of a review engagement, is financial</p> <p>25 statements that are issued by Voynow to the client?</p>
<p style="text-align: right;">Page 260</p> <p>1 A. It's financial statements issued to the</p> <p>2 client that can be distributed with our names on it.</p> <p>3 Q. Correct. Okay. And those financial</p> <p>4 statements, those reviewed financial statements, you</p> <p>5 mentioned, would have footnotes?</p> <p>6 A. It would have footnotes. It would have our</p> <p>7 -- it would be on our company letterhead. There would</p> <p>8 be a lot of difference. Usually, if they didn't want a</p> <p>9 pdf, we'd have nicely bound copies. A lot more</p> <p>10 detailed than our stapled together interim letters.</p> <p>11 Q. Okay. And you mentioned that for review</p> <p>12 engagements, which we've established is a reviewed</p> <p>13 financial statement engagement?</p> <p>14 A. Yes.</p> <p>15 Q. There is a separate engagement letter, is</p> <p>16 that correct?</p> <p>17 MR. MULE: Object to the form, but go</p> <p>18 ahead.</p> <p>19 THE WITNESS: I'm sorry, what was your</p> <p>20 question?</p> <p>21 BY MS. FITZGERALD:</p> <p>22 Q. Sure. Is there a separate engagement letter</p> <p>23 that exists when Voynow does such a review engagement?</p> <p>24 A. Yes. It's required.</p> <p>25 Q. Okay. And is it also required that the</p>	<p style="text-align: right;">Page 261</p> <p>1 client, who hired Voynow for this review engagement,</p> <p>2 signed that engagement letter before Voynow could issue</p> <p>3 the financial statements to the client?</p> <p>4 A. Yes.</p> <p>5 Q. Okay. And when you mentioned that there --</p> <p>6 you testified, at some point, you were asked questions</p> <p>7 about checklists.</p> <p>8 A. Um-hum.</p> <p>9 Q. And a subscription for checklists.</p> <p>10 A. Yes.</p> <p>11 Q. That checklist that you referred to, that</p> <p>12 pertained to a review type engagement, correct?</p> <p>13 A. Yes.</p> <p>14 Q. It does not pertain to a tax engagement?</p> <p>15 A. It does not.</p> <p>16 Q. Okay. As far as you are aware, when Star</p> <p>17 issued, or prepared, financial statements that are</p> <p>18 provided to the dealers, the dealerships, were those</p> <p>19 financial statements prepared by their controllers?</p> <p>20 Their monthly financial statements.</p> <p>21 MR. MULE: Objection.</p> <p>22 THE WITNESS: Their monthly financials</p> <p>23 are prepared by, yes, their controllers.</p> <p>24 BY MS. FITZGERALD:</p> <p>25 Q. Okay. Voynow did not do that?</p>

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<p style="text-align: right;">Page 262</p> <p>1 A. No, we did not.</p> <p>2 Q. Are you familiar with the term, an attest, or</p> <p>3 an attestation function?</p> <p>4 A. No.</p> <p>5 Q. Do you know what that means?</p> <p>6 A. No.</p> <p>7 Q. What about the term assurance function?</p> <p>8 A. I've heard assurance a lot. I just -- I</p> <p>9 don't know what it means, off the top of my head.</p> <p>10 Q. Okay. Do you know -- I know you said that</p> <p>11 you have done 401K audits?</p> <p>12 A. Yes.</p> <p>13 Q. Okay. Did you understand whether that is an</p> <p>14 assurance function or an attestation unction?</p> <p>15 MR. MULE: I'm going to object.</p> <p>16 THE WITNESS: I don't know.</p> <p>17 BY MS. FITZGERALD:</p> <p>18 Q. Okay. Did you understand that that was an</p> <p>19 engagement that required verification --</p> <p>20 A. Yes.</p> <p>21 Q. -- of information that the client had?</p> <p>22 A. Yes. That definitely required verification</p> <p>23 for at least the 401K audit.</p> <p>24 Q. Okay. And you were asked about the term,</p> <p>25 professional skepticism, do you recall that?</p>	<p style="text-align: right;">Page 263</p> <p>1 A. Vaguely.</p> <p>2 Q. Okay. Do you recall -- do you know if that</p> <p>3 term applies to an attestation function, or an</p> <p>4 assurance function, or a function where you were asked</p> <p>5 to verify information?</p> <p>6 MR. MULE: Objection.</p> <p>7 THE WITNESS: If we were asked to verify</p> <p>8 the information, then I do believe there is</p> <p>9 professional skepticism. But for a tax</p> <p>10 return, I don't think there was any.</p> <p>11 BY MS. FITZGERALD:</p> <p>12 Q. Did you understand that for a tax engagement</p> <p>13 an accountant is entitled to rely on the information</p> <p>14 that a client gives them?</p> <p>15 A. Yes.</p> <p>16 Q. Okay. And if for some reason the information</p> <p>17 that a client does not -- gives them does not</p> <p>18 necessarily make sense, the accountant is required to</p> <p>19 ask questions?</p> <p>20 A. Can you say that again?</p> <p>21 Q. Yeah. If, for example, the information that</p> <p>22 a client gives to an accountant in a tax engagement may</p> <p>23 not make sense, did you understand that the accountant</p> <p>24 is then required to ask a question about them?</p> <p>25 MR. MULE: I'm sorry, did you say is</p>
<p style="text-align: right;">Page 264</p> <p>1 not required?</p> <p>2 MS. FITZGERALD: Is required.</p> <p>3 MR. MULE: Okay.</p> <p>4 THE WITNESS: I don't know.</p> <p>5 BY MS. FITZGERALD:</p> <p>6 Q. You don't know. Okay. You asked -- you also</p> <p>7 -- when you were questioned about the fraud that</p> <p>8 occurred at the Thompson dealership.</p> <p>9 A. Yes.</p> <p>10 Q. And you were asked about your reaction to</p> <p>11 that. Or your impression of it. And I think you gave</p> <p>12 the answer. Let me find my notes.</p> <p>13 A. Are you pertaining to the ask but verify?</p> <p>14 Q. Yes. You had testified, I believe, that, in</p> <p>15 response to counsel's questions, you said that you</p> <p>16 can't really trust anyone and always trust but verify.</p> <p>17 A. Um-hum.</p> <p>18 Q. Okay. When you gave that answer, were you</p> <p>19 giving that answer with your controller hat on? Or</p> <p>20 with your tax accounting hat on?</p> <p>21 MR. MULE: Object to that question.</p> <p>22 THE WITNESS: That was with my</p> <p>23 controller hat. Because I know for a tax</p> <p>24 engagement you're not supposed to -- or you</p> <p>25 can rely on the controller's word for it.</p>	<p style="text-align: right;">Page 265</p> <p>1 BY MS. FITZGERALD:</p> <p>2 Q. Okay. For the Star engagement, you had</p> <p>3 testified that you recall Voynow would go out there for</p> <p>4 tax planning.</p> <p>5 A. Um-hum.</p> <p>6 Q. Year end, and interim visits?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. At any point, during those visits, did</p> <p>9 Voynow look at, or dig into, Star's journal entries?</p> <p>10 A. No.</p> <p>11 Q. So when you were asked about what was done</p> <p>12 specifically at interim visits, I believe you stated</p> <p>13 that Voynow would review books and records?</p> <p>14 A. Yes.</p> <p>15 Q. So when you said books and records, I just</p> <p>16 want to be clear, you do not mean journals or journal</p> <p>17 entries?</p> <p>18 A. I meant the schedules, plus bank</p> <p>19 reconciliation, floor plan recs, finance reserve recs,</p> <p>20 and parts statements recs.</p> <p>21 Q. Okay. Nothing beyond that?</p> <p>22 A. And then the parts and service repair orders.</p> <p>23 We did that as well.</p> <p>24 Q. Okay. Did you understand that those interim</p> <p>25 visits that you participated in at Star, did you</p>

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<p style="text-align: right;">Page 266</p> <p>1 understand that that was part of Voynow's tax 2 engagement with Star?</p> <p>3 MR. MULE: I'll just object to that 4 question.</p> <p>5 THE WITNESS: That was my understanding.</p> <p>6 BY MS. FITZGERALD:</p> <p>7 Q. Okay. And did you understand that Voynow's 8 engagement with Star was a tax engagement?</p> <p>9 A. Yes.</p> <p>10 Q. Okay. What does Voynow do for your current 11 employer for Barlet?</p> <p>12 A. Barlow. It's tax --</p> <p>13 Q. Barlow.</p> <p>14 A. -- tax work.</p> <p>15 Q. Okay. So for purposes of that tax work, does 16 Voynow come out for a tax planning visit?</p> <p>17 A. Yes.</p> <p>18 Q. Do they come out for a year end visit?</p> <p>19 A. Yes.</p> <p>20 Q. And do they also come out for an interim 21 visit?</p> <p>22 A. Yes.</p> <p>23 Q. And is it your impression, as the controller 24 for Barlow, that all of that falls under the umbrella 25 of tax work?</p>	<p style="text-align: right;">Page 267</p> <p>1 A. Yes.</p> <p>2 Q. You also were asked about what Mr. Lombardo 3 had stated, as far as these interim visits. And I just 4 want to make sure I have your understanding accurate. 5 As far as internal controls, Voynow was not doing an 6 audit of those internal controls for Star?</p> <p>7 A. No.</p> <p>8 Q. Was Voynow doing any testing of Star's 9 internal controls?</p> <p>10 A. No.</p> <p>11 Q. And it wasn't reviewing all of the internal 12 controls that Star had in place or did not have in 13 place --</p> <p>14 MR. MULE: Object to form.</p> <p>15 THE WITNESS: No.</p> <p>16 BY MS. FITZGERALD:</p> <p>17 Q. -- correct? Okay. Was management at Star 18 responsible for establishing internal controls?</p> <p>19 MR. MULE: Objection.</p> <p>20 THE WITNESS: Yes.</p> <p>21 BY MS. FITZGERALD:</p> <p>22 Q. And was management an Star responsible for 23 reviewing whether internal controls are being followed?</p> <p>24 MR. MULE: Objection.</p> <p>25 THE WITNESS: Yes.</p>
<p style="text-align: right;">Page 268</p> <p>1 BY MS. FITZGERALD:</p> <p>2 Q. And was management at Star responsible for 3 rectifying any deficiencies in internal control?</p> <p>4 A. Yes.</p> <p>5 Q. And when --</p> <p>6 MR. MULE: I want to pause for a 7 second. I'm just objecting. I've been 8 putting objections, but this whole line, 9 although they're phrased as direct questions, 10 they're really leading questions. So I'm 11 just objecting on that, to the form of the 12 question. So to the extent of that, I just 13 want it on the record I'm objecting to form, 14 rather than going through each one.</p> <p>15 BY MS. FITZGERALD:</p> <p>16 Q. When you were asked about the difference, in 17 your mind, between the tax planning work that Voynow 18 did and the interim visit, I believe you testified 19 that, from your perspective, it didn't differ.</p> <p>20 A. It did not. It was keeping the books 21 accurate.</p> <p>22 Q. Okay. And when you say keeping the books 23 accurate, do you mean for purposes of whether income is 24 picked up and expenses are recorded? What do you mean 25 by that?</p>	<p style="text-align: right;">Page 269</p> <p>1 MR. MULE: Objection.</p> <p>2 THE WITNESS: I mean, so you want to 3 make sure that they're -- basically the 4 proper income is being reported, so that when 5 we look at their second quarter, their third 6 quarter, and their fourth quarter estimated 7 tax payments, if we need to adjust them, we 8 would be able to adjust them.</p> <p>9 BY MS. FITZGERALD:</p> <p>10 Q. Would interim visits give the client an 11 opportunity to start looking at things that they need 12 to clean up, or fix, for purposes of year end?</p> <p>13 MR. MULE: Objection.</p> <p>14 THE WITNESS: Yes.</p> <p>15 BY MS. FITZGERALD:</p> <p>16 Q. When I asked you about management's 17 responsibility for internal controls, was management 18 also responsible to ensure that there was proper 19 segregation of duties among its staff, in performing 20 various functions?</p> <p>21 A. Yeah, that's management's responsibility.</p> <p>22 Q. Okay. When Voynow would go out, or you would 23 go out for interim visits, and whatever schedules that 24 you looked at that were printed out for you, would 25 those -- would those schedules make its way into year</p>